

**IOWA RACING AND GAMING COMMISSION
MINUTES
APRIL 16, 2015**

The Iowa Racing and Gaming Commission (IRGC) met on Thursday, April 16, 2015 at the Mid America Center (MAC) in Council Bluffs, Iowa. Commission members present were Jeff Lamberti, Chair; Carl Heinrich, Vice Chair and members Rich Arnold, Kris Kramer and Dolores Mertz.

Chair Lamberti called the meeting to order at 8:30 AM, and requested a motion to approve the agenda. Commissioner Mertz moved to approve the agenda as submitted. Commissioner Heinrich seconded the motion, which carried unanimously.

Chair Lamberti called on Mayor Matt Walsh, who welcomed the Commission to Council Bluffs. He thanked the Commission for all their work on behalf of the citizens of Iowa. Mayor Walsh stated the three facilities in Council Bluffs have a dramatic impact on the community from providing great entertainment venues, quality dining, and their employees contribute significantly to non-profits and community boards and commissions. He noted the MAC is now managed by Caesar's Entertainment, which has turned a \$1 million dollar loss in 2013 into a \$159,000 loss in 2014, and hopefully will be in the black this year.

Chair Lamberti thanked Mayor Walsh for his comments, and moved to the approval of the minutes from the March 5, 2015 Commission meeting. Commissioner Kramer moved to approve the minutes as submitted. Commissioner Mertz seconded the motion, which carried unanimously.

Chair Lamberti moved to announcements and called on Brian Ohorilko, Administrator of the IRGC. Mr. Ohorilko advised there would be no meeting in May, and the June meeting would be held on June 4th at the Hard Rock Hotel & Casino in Sioux City. Submissions for that meeting are due in the Commission office by May 20th. He then announced the following proposed meeting dates for Fiscal Year 2016:

July 9, 2015	Prairie Meadows Racetrack & Casino, Altoona
August 20, 2015	Riverside Casino & Golf Resort, Riverside
Sept. 24, 2015	Mystique Casino, Dubuque
November 19, 2015	Prairie Meadows Racetrack & Casino, Altoona
December 2015	No Meeting
January 14, 2016	Prairie Meadows Racetrack & Casino, Altoona
February 2016	No Meeting
March 3, 2016	Prairie Meadows Racetrack & Casino, Altoona
April 14, 2016	Ameristar, Council Bluffs
May 2016	No Meeting
June 9, 2016	Wild Rose Jefferson, Jefferson

Mr. Ohorilko recognized the following IRGC staff assigned to Council Bluffs: Licensing Assistants Linda Baxter and Gina Goos; Racing Stewards Max Zaragosa and Richard Woodsmall and Gaming Representatives Cory Ostermeyer and Carol Fajen located at Horseshoe Casino/Bluffs Run Greyhound Park; Gaming Representatives Bryan Crowdy and Lynette Masker assigned to Ameristar Casino Council Bluffs; and Gaming Representatives Julie Petersen and Jeff Rethmeier assigned to Harrah's Council Bluffs Casino & Hotel. He thanked them for their outstanding work on behalf of the Commission.

Chair Lamberti asked about announcing the potential for a special meeting. Mr. Ohorilko advised the Commission has disseminated proposed rules for the Greyhound Cessation Fund to stakeholders. The current plan is to notice those rules at the June Commission meeting, which will be the start of the formal rulemaking process. He stated the Commission would be holding a special meeting the end of July or in early August, which will be dedicated to receiving public comment on the greyhound cessation fund rules. Mr. Ohorilko stated the date would be announced at the June meeting, if a date and location could be confirmed.

Chair Lamberti stated the Commission felt it was important to schedule a public hearing to give everyone an opportunity to provide their input and feedback on the proposed rules due to the uniqueness of the situation.

Chair Lamberti moved to the update on the bankruptcy proceedings for Caesar's Entertainment Corporation. Tina Eick, legal counsel, noted Caesar's Entertainment Operating Company, Inc. and its related debtors filed for bankruptcy in the Northern District of Illinois on January 15, 2015. She stated the Bankruptcy Court entered final orders authorizing the company to pay their employees' wages, benefits, insurance obligations, taxes and fees on March 6th. On March 26th, additional final orders were entered authorizing the company to use its cash collateral to maintain their bank accounts. Ms. Eick stated the company continues to have sufficient cash on hand to meet its ongoing business obligations. She noted the bankruptcy proceedings have not interrupted the company's operation, and that the restructuring is only intended to de-leverage the company's balance sheet and not affect the day-to-day operations. Ms. Eick stated the restructuring support agreement Caesar's initially entered into with certain creditors to right-size the company's balance sheet is commencing. She advised the company is working to achieve a consensus with other creditors so the company can successfully exit bankruptcy as quickly as possible. Ms. Eick stated the Chapter 11 plan originally established and filed on March 2nd is still pending at this time. She stated the company is pursuing the reorganization and continuing to build consensus among its stakeholders. She advised hearings were held on March 25th and 29th, with additional hearings scheduled for May 27th, June 22nd, August 19th, and September 28th.

Chair Lamberti called on Isle of Capri Casinos, Inc. regarding their request for approval of a debt transaction. Elizabeth Tranchina, Vice President of Legal Affairs, requested approval of an additional \$150 million of 5.75% senior unsecured debt that will come due in 2021. She advised the offering will be conducted pursuant to a 144A private placement. The bonds will be registered as publicly traded debt as soon as the SEC finalizes their debt statement.

Hearing no comments or questions concerning the debt transaction, Chair Lamberti requested a motion. Commissioner Heinrich moved to approve the debt transaction as submitted by Isle of Capri Casinos, Inc. Commissioner Arnold seconded the motion, which carried unanimously.

Chair Lamberti moved to the review of the licensees' financial audits, and called on Ameristar Casino Council Bluffs, Inc. d/b/a Ameristar Casino Council Bluffs. Monty Terhune, General Manager, noted the facility finished strong financially in 2014, but was challenged by the fact that it was a transition year for them. This included consolidating the shared accounts, and implementing a new Players Club with additional benefits for the members. He noted there were more challenges in some months than others as there were also changes to market surveys, salary adjustments, and compensation changes which are reflected in the financial statement. Mr. Terhune advised they have emerged from the transition year, and are looking forward to continuing operations on a more normal basis. He noted that promotional expenses increased.

Commissioner Heinrich asked Mr. Terhune to tell the Commission about the honor the hotel received. Mr. Terhune advised Ameristar Hotel was named the best hotel in Iowa, out of 488, by the U.S. News and World Report. He indicated that is in line with their 4 Diamond designation by Triple A.

Chair Lamberti called on Catfish Bend Casinos II, LLC d/b/a Catfish Bend Casino II. Rob Higgins, General Manager, and Donald Spears, Controller, were present to address the financial audit. Mr. Higgins advised the facility took in almost \$1 million more in revenue in 2014; they continued to decrease their debt; and cash flow continues to improve. He noted the facility has upgraded the gaming floor by getting new machines and doing some re-arranging, which has also had an impact on the gaming floor. The renovation of the boutique hotel, Catfish Bend Inn, was completed in the fall, and they are continuing to renovate The Pzazz Hotel. This renovation should be completed in the next month. Mr. Higgins advised the facility is re-vamping the HVAC system in an attempt to make the gaming floor pleasant for everyone, and should be completed within the next two-three weeks. Debt was re-financed with very favorable terms. Mr. Higgins stated he feels the company is in the strongest position it has been in for a long time. He indicated they will continue to reinvest in the facility.

Chair Lamberti called on Diamond Jo, LLC d/b/a Diamond Jo Casino. Wendy Runde, General Manager, advised the Dubuque market saw a decline in gaming revenue of 6.6% in 2014; the Diamond Jo saw a decline of 4.7%, or \$2.8 million. They have an average employment level of 330 FTEs for the year resulting in total payroll and benefits of \$12.7 million. The company invested \$1.8 million in capital expenditures, primarily on the slot floor. They also remodeled the kitchen floors in the buffet and fine dining restaurant, replaced a chiller, added a roulette table and expanded their warehouse. Ms. Runde noted last year's report included a Be Connected conversion; but the conversion was postponed. She indicated it may occur in the fourth quarter of this year, or as late as 2016. The Boyd properties, which were already connected, are having their systems upgraded to a newer version.

Chair Lamberti called on Diamond Jo Worth, LLC d/b/a Diamond Jo Worth (DJW). Kim Pang, General Manager, advised gaming revenue at the property decreased approximately \$2.8 million

in 2014. He noted the facility is going through some transition from the takeover by Boyd Gaming. He stated DJW had gone through the Be Connected conversion, and will now have to be upgraded to the new slot system. Mr. Pang advised there were 310 FTEs resulting in payroll and benefits of \$11.3 million. Capital expenditures were approximately \$5.2 million in 2014, mostly on the slot conversion system. Funds were also expended on expanding the Jo Stop Gas Station, which should be finished by the end of April. Mr. Pang advised the non-profit, Worth County Development Authority, received \$4.8 million. He stated the relationship is good for Worth County and the surrounding communities.

Chair Lamberti called on Grand Falls Casino Resort, LLC d/b/a Grand Falls Casino Resort. Sharon Haselhoff, General Manager, advised the facility received a clean opinion with no internal control comments. She noted Lyon County Casino Resort, LLC is owned by 471 unitholders, representing over 750 Iowa investors. This was their third full year of operations; gross revenue was \$69.1 million, up from \$68.9 million in 2013; gaming revenue increased to \$58.8 million from \$58.1 million in 2013; and slot revenue grew by \$1 million, accounting for 87% of the gaming revenue. Table revenue was \$7.8 million, and accounted for 13% of the gaming revenue. The facility had \$10.3 million in non-gaming revenue compared to \$10.85 in 2013; she attributed the decrease to fewer entertainment events. Expenses totaled \$55.1 million versus \$56.2 in 2013, or a decrease of 1.9%. Cash revenue was \$15.2 million for 2014 compared to \$14.1 million, an increase \$1.1 million. Net income was \$4.1 million compared to \$2.2 million in 2013. Ms. Haselhoff stated the property has approximately 500 employees, making them the largest employer in Lyon County. She advised the facility has provided the employees with three consecutive years of profit-sharing checks, and due to the success of the property in 2014, the Board of Directors decided to give them an extra profit-sharing check. In 2015, Ms. Haselhoff stated the facility is looking forward to opening The Falls, the Rees Jones 18-hole golf course; the official grand opening will be held on May 20th.

Chair Lamberti called on Harveys Iowa Management Company, Inc. d/b/a Harrah's Council Bluffs Casino and Hotel (Harrah's). Janae Sternberg, Director of Finance, stated the facility is still enjoying the benefits of moving from the riverboat to a land-based casino. Gaming revenue and net revenue were up 3% year over year. The company continues to invest in the property with approximately \$3.5 million in capital expenditures, along with finishing up the casino. They also added a new table games lounge, made a significant investment in slots, and remodeled the hotel corridors. Ms. Sternberg advised the first quarter of 2015 was their second best, even with the bankruptcy issues.

Chair Lamberti called on HGI-Lakeside, LLC d/b/a Lakeside Hotel Casino. Bob Thursby, General Manager, advised the company made a decision to continue to be aggressive in driving revenue, and were successful in growing the business a little bit. Capital expenditures were made to keep the slot floor fresh, made some renovations in the buffet, and are currently purchasing new uniforms for staff. Mr. Thursby stated the company was pleased with the results from the hotel in 2014; that faction of the business continues to grow.

Chair Lamberti called on Rhythm City Casino, LLC d/b/a Rhythm City Casino. Mo Hyder, General Manager, noted 2014 was a transition year for the property as it was acquired by Scott

County, LLC, led by the Kehl family and Iowa investors. He stated the financial before the Commission was for a partial year; reflecting activity from February 2014 through the end of the year. Mr. Hyder reported the company received a clean opinion with no internal control issues reported. He advised the Quad City market continues to be under pressure due to the proliferation of VGTs in Illinois. The market was down 5.1% for all of 2014. He indicated the VGTs seem to be the most critical factor as Illinois VGT revenue has almost doubled from a year ago. Mr. Hyder stated the company spent several million dollars at the time of the acquisition to update the systems and the facility to meet the expectations and standards of the new ownership. As of December, the facility had paid approximately \$16 million in taxes and \$7 million in competitive wages and benefits for the 275 employees. For the upcoming year, Mr. Hyder advised the land-based project is progressing very well; the road is being extended and it is hoped that construction will be completed by May, which will give them access to the property. They are hoping to get the footings poured in May, and barring any inclement weather, get the facility enclosed prior to winter, and then hopefully opening in May 2016.

Chair Lamberti called on Riverside Casino & Golf Resort, LLC d/b/a Riverside Casino & Golf Resort (RCGR). Dan Franz, General Manager, advised gross revenue was \$108.3 million, up from \$108.2 million in 2013. He noted gaming revenue decreased about \$1.1 million or 1%; however, this was offset by an increase in non-gaming revenue by about the same amount. Mr. Franz stated the facility set new revenue records in the food and beverage operation, hotel operation, retail establishments and spa operation. He noted expenses increased by \$1 million, which included approximately \$20.6 million in payroll and benefits. Mr. Franz stated operating income increased by 6% and net income increased by 16%. During 2014, the facility completed a re-fresh of all the hotel rooms – new carpet, larger TVs, new nightstands and lighting fixtures, new linen covers, refinished armoires and doors, and an intense cleaning to return the rooms to opening condition. He stated they continue to invest in the property to keep it up-to-date with parking lot work, kitchen equipment, built a new hotel entrance vestibule with automatic doors to make it easier for patrons to enter with their luggage, and bought a couple of new valet fleet vehicles to transport guests to and from the airport. Mr. Franz advised the facility has over 700 employees; they have received profit-sharing checks for 30 straight quarters since 2008. They are looking forward to 2015.

Chair Lamberti called on SCE Partners, LLC d/b/a Hard Rock Hotel & Casino Sioux City (Hard Rock). Todd Moyer, General Manager, thanked the Commission, on behalf of the 500 team members, for giving them the opportunity in Sioux City. He noted the property was built and opened on time and under budget in 350 days from the start of construction to the grand opening on August 1, 2014. Mr. Moyer advised that 2014 payroll and benefits were \$6.9 million; taxes were \$7.9 million; and they contributed \$1.9 million to charity. The facility spent over \$108 million with Iowa vendors for supplies and services. He stated the facility has had over 850,000 guests in the first five months of operation. Mr. Moyer stated the facility is re-working the outdoor concert area, and adding a new restaurant and bar, The Beer Garden. The project will cost \$850,000, and will add significant space to the outdoor dining area. The space will include fire pits, grills and space to enjoy music under the stars. Mr. Moyer named some of the music acts scheduled to appear this summer.

Chair Lamberti called on Wild Rose Clinton, L.L.C. d/b/a Wild Rose Clinton (WRC). Scott Ivers, Chief Financial Officer for Wild Rose Entertainment, advised WRC experienced a 9% decline in gaming revenue in 2014, which they attributed to the VGT market in Illinois. He stated the market in Clinton is approximately \$160 million, and the facility has started to see an uptick in revenue and attendance during the first quarter of this year. Mr. Ivers stated capital expenditures have been focused on slot product, re-configuration of the slot floor, and adding a number of new games. He stated they are also trying new marketing ideas.

Chair Lamberti moved to Wild Rose Emmetsburg, L.L.C. d/b/a Wild Rose Emmetsburg (WRE). Mr. Ivers advised WRE also experienced a small decline in revenue; noting the market in the area tends to move with the agricultural market. He stated WRE has seen a reversal in the trend for the first quarter of 2015 and believes the facility will see some stabilization in revenue. WRE has also focused on their slot product – rearranging the floor and adding new product, which has been well received by the patrons.

Mr. Ivers indicated Tom Timmons, Vice President of Operations, had an update on the Wild Rose Jefferson (WRJ) project. Mr. Timmons advised the turning lanes off Highway 4 were in the process of being poured, and the lanes for Highway 30 will be poured next week. He stated the big billboard sign has been installed, but is not hooked up. Mr. Timmons stated the project is progressing very well; and might be a little ahead of schedule at this time due to the good weather in February and March. He hopes to be able to give a date when the machines can be turned on at the June Commission meeting.

Chair Lamberti called on Bluffs Run Casino. Ms. Sternberg advised gaming revenue and net revenue both declined 6% year over year, some of which she attributed to moving business between the two properties and to the remodel of the facility, which included re-carpeting the gaming floor during the second quarter of 2014. She stated Caesar's made a significant capital investment in the property, over \$5 million, between the carpeting, new slot machines, and additional office space. Ms. Sternberg noted Bluffs Run is also coming off its second best first quarter.

Chair Lamberti called on Iowa West Racing Association. Pete Tulipana, Executive Director, advised they had revenue of just over \$7 million, a slight increase from 2013. He indicated their revenue is stable.

Chair Lamberti called on Dubuque Racing Association (DRA). Dustin Manternach, Chief Financial Officer, noted the facility acquired the Hilton Garden Inn and Houlihan's Restaurant located adjacent to the property, and will be doing a full remodel of the hotel rooms over the next two years. He referenced the passage of legislation allowing the DRA to eliminate live racing and subsidize purses. Mr. Manternach advised both developments will help strengthen the financial health of DRA and insure larger distributions to local non-profits and the City of Dubuque. He noted the decline in the Dubuque market, but the \$2.8 million DRA received from the Diamond Jo allowed them to distribute \$8.3 million to the City of Dubuque and local non-profits. Mr. Manternach stated the facility paid \$17 million in wages, taxes and benefits, and approximately \$2.4 million in capital expenditures in addition to the hotel. He noted there were

two large items referenced in the audit: a loss associated with exit activity of \$6.6 million, which is the \$7 million greyhound cessation fee, and a \$3.5 million loss associated with racing, which was pulled out from continuing operations.

Chair Lamberti called on Prairie Meadows Racetrack & Casino, Inc. d/b/a Prairie Meadows Racetrack & Casino (PMR&C). Brian Wessels, Director of Finance, advised gaming revenue was down less than 1%, which occurred during the remodeling of the casino floor; gaming taxes were \$46 million; and wages and benefits were \$58.1 million for an average of 1,256 employees. Community benefits were \$36.3 million with Polk County receiving \$26.4 million; the City of Des Moines received \$3.9 million, the Polk County School District received \$700,000, and all other charitable distributions were \$5.3 million. Mr. Wessels stated PMR&C invested \$15.8 million in the property during 2014, with approximately \$11 million being the remodel of the casino floor.

Chair Lamberti noted most facilities reported a downturn in revenue, or were flat. He expressed his hope that 2015 is looking better for them. Commissioner Mertz stated that she felt the audits looked pretty good overall, and congratulated the properties for doing well in a tough economic situation.

Chair Lamberti called on Isle of Capri Bettendorf, L.C. d/b/a Isle Casino Hotel Bettendorf (IOCB). Ms. Tranchina requested approval of the Fourth Amendment to the Operator's Contract between Scott County Regional Authority (SCRA) and Isle of Capri Bettendorf, L.C. She stated the new agreement includes provisions to reflect the inclusion of the land-based facility, did some clean up to the existing Operator's Contract, and extended the term. Ms. Tranchina requested approval of the Fourth Amendment to the Operator's Agreement.

Hearing no comments or questions, Chair Lamberti requested a motion. Commissioner Mertz moved to approve the Fourth Amendment to the Operator's Contract between SCRA and IOCB. Commissioner Kramer seconded the motion, which carried unanimously.

Nancy Ballenger, General Manager at IOCB, thanked the Commission for taking the time to listen to the presentation, and indicated they are excited to share the plans for a land-based casino. She noted her career started in 1995 in marketing when the facility was opened as the Lady Luck Bettendorf, so she has experienced all of the changes and renovations to the facility. It is now the largest hotel complex in Iowa. Ms. Ballenger stated that Isle of Capri already has over \$225 million invested in Bettendorf. They are currently spending \$8.5 million to remodel the south hotel tower, with two floors completed to date. She noted the request before the Commission indicates a remodel of the facility but the presentation represents Isle's commitment to the State of Iowa, but also the excitement to continue to provide their guests with the entertainment experience they have come to expect. Ms. Ballenger introduced John Wilson, Chief Development Officer, from the St. Louis office, noting he joined the company in January 2013, and provided some brief employment history. She noted that Mr. Wilson has been instrumental in designing the land-based facility. She turned the floor over to Mr. Wilson.

Mr. Wilson stated that everyone at Isle of Capri is looking forward to the day they can share the land-based casino with their patrons. He indicated a great deal of time has been spent in meeting with local focus groups to learn their needs and desires so the design team could incorporate their thoughts into the vision for the project. He stated the overall design takes many cues from the Iowa landscape as well as the many manufacturing industries located in Iowa. Amenities will include the Farmers Pick Buffet located adjacent to the casino floor; an O & H Grab and Go Diner, the Lone Wolf Bar & Stage and a consolidated hotel check-in lobby. The estimated investment is approximately \$55-60 million, and does not include the \$8.5 million for the renovation of the south hotel tower. Mr. Wilson advised Isle of Capri intends to use their cash flow from operations to fund the construction and does not anticipate needing any third party financing. He stated the company also has approximately \$150 million under an existing revolving credit facility.

A power point presentation showed the location of the 35,000 square foot gaming floor, which will be placed in the existing courtyard between the two hotel towers. The gaming floor will become the heart of the property. He stated the buffet, grab and go, new bar, gift shop and all of the associated functions, including back of house, and the new gaming floor represent a new project of approximately 82,000 square feet. Mr. Wilson stated adding this to their already more than 300,000 square feet of hotel space, 90,000 square foot Isle Center and 54,000 square foot Waterfront Center, the property will encompass well over 500,000 square feet of development. The previous numbers do not include the 240,000 square foot parking garage.

Mr. Wilson stated the new entry will provide a grand sense of arrival and serve as the new front door to the facility. He indicated consolidating the valet functions into one easily accessible drive will put patrons steps away from the gaming floor or being treated to the best dining experience in the area. Consolidating the hotel front desk in to one centrally located lobby between the two towers will eliminate any confusion with hotel check-ins. Mr. Wilson stated the lobby was designed with textures and colors that are used throughout the entire property in order to visually tie the property together. Finishes include wood, natural and curvy wall textures relating to the Iowa landscape, and should enhance the experience for the customers.

Mr. Wilson stated the gaming floor will be a single level, which is preferred by the customers. The ideas of manufacturing and production, machinery and farming influenced a lot of the patterns found on the gaming floor. The ceiling design is meant to represent an aerial view of the Midwestern plains. The concept behind the pit canopy was a series of inter-locking tractor tire treads, which reference Iowa's history and present day involvement in farming and agricultural industries. The Lone Wolf Bar incorporates rough textures paired with slicker finishes to satisfy and appeal to younger crowds and professionals attending business conventions on site. The inspiration for the high limits area was a view of an old, but grand, Iowa barn at sunset. The color scheme uses rich, weathered, textured woods against jewel tones of red, purple and gold.

Mr. Wilson advised the buffet will be moved next to the gaming floor, and introduces the Farmers Pick concept. He turned the floor over to Ms. Ballenger to discuss the farmers pick concept. Ms. Ballenger stated farmers pick focuses on farm-to-table cuisine, bringing locally

grown or based products directly to the customer. She noted the property is already working with many Iowa vendors, and will be working with many more with the expanded buffet. She turned the floor back to Mr. Wilson. Mr. Wilson stated the design in the buffet took its cues from the already existing Farmers Pick brand, but was given a modern, clean feel. Finishes and textures were influenced by the farm-to-table movement – fresh, local, natural, simple and pure. Continuing with the Farmers Pick campaign to utilize locally grown produce, a feature wall was designed to showcase those food items from local vendors. Colors were selected that referenced fresh fruit and produce; bright citrus colors paired with fresh wood tones and creamy white tile walls.

Mr. Wilson stated the intent is to begin construction upon receipt of all necessary approvals. In addition to the approval of IRGC, IOCB also needs to obtain the necessary construction approvals from the City of Bettendorf. Based on weather conditions and other external factors, it is estimated the construction period will be approximately 12-14 months. He advised that IOC has chosen Krause-Anderson Construction out of Minneapolis as the general contractor, who has indicated that approximately 65% of the construction work will be performed by Quad City firms.

Ms. Ballenger stated that she was proud of all the facility has accomplished over the years. She stated all of the employees are eager to see construction begin. She requested approval of their request to remodel the facility.

Chair Lamberti stated IOCB has been working toward a land-based facility for quite some time, and advised the Commission is happy to see it moving forward, particularly in light of the tough economic times in the area. He stated it is a significant commitment to the area and facility by Isle of Capri.

Chair Lamberti moved to approve the request of Scott County Regional Authority to convert the license to authorize the conducting of gambling games on a gambling structure upon completion of the remodeling, and approve the remodeling as proposed by IOCB. Commissioner Mertz seconded the motion, which carried unanimously.

Ms. Ballenger presented the following contracts for Commission approval:

- Kraus-Anderson – Contractor for Land-Based Casino Construction
- Hnedak Bobo Group, Inc. – Architecture Design Services for Land-Based Casino Construction
- North American Video – New Digital Surveillance System for Land-Based Construction
- Michael Raiser Associates, Inc. – Low Voltage Design for Land-Based Casino Construction
- Terracon – Geotechnical Engineering Services for Land-Based Casino
- CCM Consulting Group – Construction Audit for Land-Based Casino Construction
- Miller and Company – Procurement Firm for Land-Based Casino Construction
- Arrow SI – Renewal of 3-Year Maintenance Contract
- Sealy Corp. – Purchase New Mattresses for Hotel

Hearing no comments or questions concerning the contracts, Chair Lamberti requested a motion. Commissioner Heinrich moved to approve the contracts as submitted by IOCB. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Lamberti moved to the contract approval portion of the agenda, and called on DJW. Mr. Pang presented a contract with Midwest Liquid Systems, Inc. for maintenance of the gasoline pumps and systems at the convenience store.

Hearing no comments or questions concerning the contract, Chair Lamberti requested a motion. Commissioner Kramer moved to approve the contract as submitted by DJW. Commissioner Mertz seconded the motion, which carried unanimously.

Chair Lamberti called on Harrah's. Ms. Sternberg presented a contract with Nebraska Furniture Mart for furniture and carpet.

Hearing no comments or questions concerning the contract, Chair Lamberti requested a motion. Commissioner Arnold moved to approve the contract as submitted by Harrah's. Commissioner Heinrich seconded the motion, which carried unanimously.

Chair Lamberti called on RCGR. Mr. Franz presented the following contracts for Commission approval:

- GTECH, USA, LLC – Slot Machine Leases
- The Printer, LLC – Printing Services

Hearing no comments or questions concerning the contracts, Chair Lamberti requested a motion. Commissioner Mertz moved to approve the contracts as submitted by RCGR. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Lamberti called on WRC. Mr. Timmons presented the following contracts for Commission approval:

- Global Cash Access/Central Credit, LLC – Cash Access Services
- Mediacom – High Speed Internet Service

Hearing no comments or questions concerning the contracts, Chair Lamberti requested a motion. Commissioner Heinrich moved to approve the contracts as submitted by WRC. Commissioner Mertz seconded the motion, which carried unanimously.

Chair Lamberti called on WRE. Mr. Timmons presented the following contracts for Commission approval:

- Global Cash Access/Central Credit, LLC – Cash Access Services
- Cleary Building Corp. – Construction of Maintenance Building

Hearing no comments or questions concerning the contracts, Chair Lamberti requested a motion. Commissioner Mertz moved to approve the contracts as submitted by WRE. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Lamberti called on WRJ. Mr. Timmons presented the following contracts for Commission approval:

- Wild Rose Leasing, LLC – Vehicle and Equipment Lease (RP)
- Transact Technologies Inc. – Slot Equipment
- Global Cash Access/Central Credit, LLC – Cash & Cash Services
- Ricoh USA, Inc. – I.T. Equipment
- Infomax – Office Solutions
- Ainsworth – Slot Machines
- VSR Industries, Inc. – Slot Machine Bases
- American Engineered Products, LLC – Slot Machine Bases

Hearing no comments or questions concerning the contracts, Chair Lamberti requested a motion. Commissioner Kramer moved to approve the contracts as submitted by WRJ. Commissioner Heinrich seconded the motion, which carried unanimously.

Chair Lamberti called on Hard Rock. Mr. Moyer presented the following contracts for Commission approval:

- Braungers Foods – Food Supplier
- WMS Gaming – Slot Machine Purchases and Leases
- Wells Fargo Bank – Credit Agreement
- Kai – Slot Dispatch and Beverage System
- Waste Management – Waste Disposal
- McGladrey, LLP – Financial Audit and Reporting
- Loffredo Fresh Produce Co., Inc. – Food Products and Fresh Produce
- W.A. Klinger – General Contractor for Construction Project for Battery Park
- Axis Worldwide Hospitality – Furniture Assembly, Installation, Storage and Transportation
- Grefe & Sidney, PLC – Legal Services
- Kirkland & Ellis, LLP – Legal Services
- Latham & Watkins, LLP – Legal Services

Chair Lamberti inquired as to the amount being refinanced with Wells Fargo. Mr. Moyer stated the facility is a great Iowa success story; when they were looking to borrow funds to build the casino the Iowa business climate was very favorable. Now that the facility is open, it is a much easier sale, and the interest rate was cut in half. Mr. Moyer indicated the amount being refinanced is approximately \$90 million.

Hearing no further comments or questions, Chair Lamberti requested a motion. Commissioner Arnold moved to approve the contracts as submitted by Hard Rock. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Lamberti called on PMR&C. Gary Palmer and Derron Heldt, General Manager and Director of Racing respectively, were present to address agenda items. Mr. Heldt advised the thoroughbred meet would commence on April 18th; that entries were being taken at this time. He stated the facility received 1,590 applications for stalls in March, but only have 1,350 stalls available. They have been working with trainers over the last few weeks to try and determine how many horses they will actually be bringing. Mr. Heldt advised there are currently 834 horses on the backside, and indicated the possibility there will be empty stalls during the season. He is hopeful there will be over 1,000 horses on the backside for the first weekend. He noted there is a racetrack in Nebraska whose meet ends on May 2nd and approximately 100 horses will be coming to PMR&C from that track. Another racetrack in Oklahoma ends around Memorial Day, and PMR&C has a commitment for 80-100 horses to come up at the end of that meet. Mr. Heldt indicated there should be approximately 1,200 horses on property by June 1st. He stated there are sufficient horses on property to get the season going, and feels comfortable with where they are at now. Mr. Heldt stated the property is ready for the first weekend, and is looking forward to a good racing season.

Chair Lamberti moved to the contracts. Mr. Palmer submitted the following contracts for Commission approval:

- Central Iowa Mechanical – Plumbing and HVAC Contractor
- Community Foundation of Greater Des Moines – Sponsorship of Des Moines Area Events
- Consolidated Electrical Distributors, Inc. – Electrical Equipment, Parts, Supplies and Service
- Micros Fidelio Worldwide, Inc. – Property Management System Software and Support

Hearing no comments or questions concerning the contracts, Chair Lamberti requested a motion. Commissioner Mertz moved to approve the contracts as submitted by PMR&C. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Lamberti called on the Iowa Greyhound Association (IGA). Nick Mauro and Matt Kingdon, legal counsel and consultant respectively, were present to address the agenda items. The first was a request to modify the approved race dates and minimum purse for 2015.

Chair Lamberti asked what the previously approved dates were. Mr. Mauro indicated the original dates were April 29th through the end of October. The new dates are May 16th through October 24, 2015, with four performances per week and 15 races per performance, or 93 performances. Revised race days and post times will be at 6:30 PM on Wednesday and Friday; and 1:00 PM on Saturday and Sunday. Races will be held on July 3rd with a 1:00 PM post.

Hearing no comments or discussion regarding the revised racing dates or minimum purse, Chair Lamberti requested a motion. Commissioner Mertz moved to approve the revised race dates and minimum purse for 2015 as submitted by the IGA. Commissioner Heinrich seconded the motion, which carried unanimously.

Chair Lamberti moved to the IGA's request for approval of financing. Mr. Mauro stated based on the Commission's decision regarding the escrow fund, IGA sought financing to get through the first year until payments from the Horseshoe Casino start in 2016. They obtained a line of credit through the Earlham Savings Bank.

Hearing no comments or questions concerning the financing, Chair Lamberti requested a motion. Commissioner Mertz moved to approve the financing as submitted by the IGA. Commissioner Heinrich seconded the motion, which carried unanimously.

Chair Lamberti moved to the contracts. Mr. Mauro submitted the following contracts for Commission approval:

- United Healthcare – Health Insurance for Full-Time Employees
- Iowa Horsemen's Benevolent & Protective Assoc. – Simulcast Wagering Services Agreement between IAHBPA and IGA

Hearing no comments or questions concerning the contracts, Chair Lamberti requested a motion. Commissioner Mertz moved to approve the contracts as submitted by IGA. Commissioner Heinrich seconded the motion, which carried unanimously.

Chair Lamberti moved to the hearing for Hard Rock for a violation of Iowa Code § 99F.4(22), the self-exclusion rule. Mr. Ohorilko stated Commission staff and Hard Rock have entered into a Stipulated Agreement. He advised an individual signed up on the list in 2007 at the Argosy Casino. That individual entered the Hard Rock facility and signed up for a Players Club account on November 21, 2014, which triggered the violation. When the individual attempted to cash a check approximately three weeks later, staff identified them as being on the self-exclusion list. Hard Rock staff reported the violation to the Commission office. Mr. Ohorilko stated Hard Rock has agreed to pay an administrative penalty between \$3,000 – \$20,000, and requested approval of the Stipulated Agreement.

Mr. Moyer noted the facility missed this individual as previously acknowledged due to the fact that a proper name search was not conducted at the time the individual signed up for the Players Club. He indicated staff has been re-trained on the proper procedures.

Chair Lamberti moved to approve the Stipulated Agreement with an administrative penalty of \$5,000. Commissioner Heinrich seconded the motion, which carried unanimously.

Chair Lamberti moved to Public Comment. John Filipelli, a partner in a kennel with Dean Miner at Bluffs Run, stated that despite massive investments in Iowa, their kennel will cease to exist in eight months. He informed the Commission that they had hired an attorney, Larry Melcher of

Council Bluffs, in regard to their decision awarding half of the escrow fund to the IGA private racing venture in Dubuque. Mr. Filipelli stated Mr. Melcher would be seeking a Declaratory Judgement in an attempt to keep the escrow funds in Council Bluffs as outlined by the statute. He stated he, his partner and others in the greyhound industry disagree with the decision and continue to be disappointed in the misrepresentation of the IGA racing venture and the Commission's endorsement of almost every request made by the private group. Mr. Filipelli stated the misrepresentation started in October when the Commission was told an impartial, 3-person board would be accepting kennel applications for all interested parties in bookings. He advised this did not occur as the IGA decided to accept only one application and keep everything status quo with the kennels already booked at Dubuque; leaving five board members and five other kennels to run for a total of 10 kennels. This is contrary to the 14 the IGA indicated they would book. Mr. Filipelli mentioned the cut in performances from 120 to 92 for this year. He referenced the \$2 million line of credit, which, to his understanding, is guaranteed by members of the board that are also kennel operators. These are the same people that pay the racing secretary, make up races, starters, and judges for the races. Mr. Filipelli stated he had asked the Commission where the line is drawn from these individuals being kennel operators and being contract kennels with employees. He then referenced the simulcast contract with the IHBPA, indicating there is no information regarding the timeframe or details. With no guarantee as to how long greyhound racing will continue, he questioned where the simulcast money would go when there is no one left in the industry. Mr. Filipelli indicated the Commission suggested the money staying in Council Bluffs could be paid according to the Spectrum report, but there were no stipulations or guidelines for the Dubuque side. He requested that the Bluffs Run track operators be allowed to determine how the money is distributed. Mr. Filipelli thanked the Commission for listening to him.

Chair Lamberti moved to Administrative Business and called on Mr. Ohorilko. Mr. Ohorilko stated the item before the Commission is the approval of the distribution of the Horse Racing Fund. He noted there were four applicants: the Iowa Thoroughbred Breeders and Owners Association, Iowa Quarter Horse Racing Association, Legacy Harness Horse Foundation and the Iowa Harness Horsemen's Association. There is over \$2,800 to distribute. Mr. Ohorilko asked how the Commission would like to distribute the funds.

Hearing no comments or questions, Chair Lamberti moved to distribute the Horse Racing Promotion fund equally among the four applicants. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Lamberti turned the floor over to Commissioner Mertz, who congratulated Chair Lamberti and Commissioner Arnold for being inducted into the Iowa Pioneer Lawmakers Association on Tuesday.

Hearing no further business to come before the Commission, Chair Lamberti requested a motion to adjourn. Commissioner Kramer so moved. Commissioner Mertz seconded the motion, which carried unanimously.

MINUTES TAKEN BY:

JULIE D. HERRICK